

To the Members of the California State Assembly:

I am returning Assembly Bill 2973 without my signature.

This bill would authorize hospitals to retain Independent Plan Reviewers (IPR), approved by the Office of Statewide Health Planning and Development (OSHPD), to review and certify plans for hospital construction or alteration, when such plans have projects costing more than \$50 million. The OSHPD would be allowed to delegate authority to a given hospital to retain an IPR for projects costing between \$20 million and \$50 million, if the OSHPD determines an undue delay may occur. AB 2973 would also establish a negotiable objective of 90 days for review and approval by the OSHPD. Additionally, this bill would provide that the State hiring freeze does not apply to positions supported by the Hospital Building Fund and would also exempt these positions from provisions of law requiring the abolition of vacant positions.

Although AB 2973 attempts to address the potential for delays of hospital construction projects, I am unable to agree with the proposed exemptions to future, potential hiring freezes and position vacancy management. Such personnel management flexibility is necessary given the current significant fiscal constraints of the State and these provisions would create a precedent that could hamper the ability of my Administration to address such fiscal concerns in the future.

Therefore, I am unable to support AB 2973 at this time, and I am returning this bill unsigned. However, I would be willing to consider a version of this bill that provides for IPRs, approved by the OSHPD, if such future legislation does not include the aforementioned exemptions to hiring freezes and vacancy management practices.

Sincerely,

Arnold Schwarzenegger